

***United States Court of Appeals  
for the Second Circuit***



**APPELLANT'S  
REPLY BRIEF**



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**74-1559**

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To be argued by  
WILLIS H. TAYLOR, JR.

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**United States Court of Appeals  
FOR THE SECOND CIRCUIT**

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VANITY FAIR MILLS INC.,  
*Plaintiff-Appellant,*  
v.

OLGA COMPANY (INC.),  
*Defendant-Appellee.*

APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK;

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TO REVIEW DECISION IN A DECLARATORY JUDGMENT  
PATENT ACTION

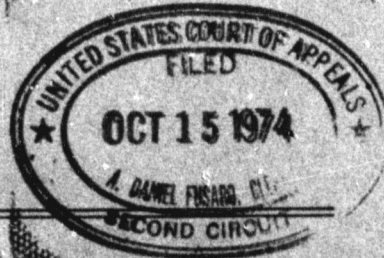
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**PLAINTIFF-APPELLANT'S REPLY BRIEF**

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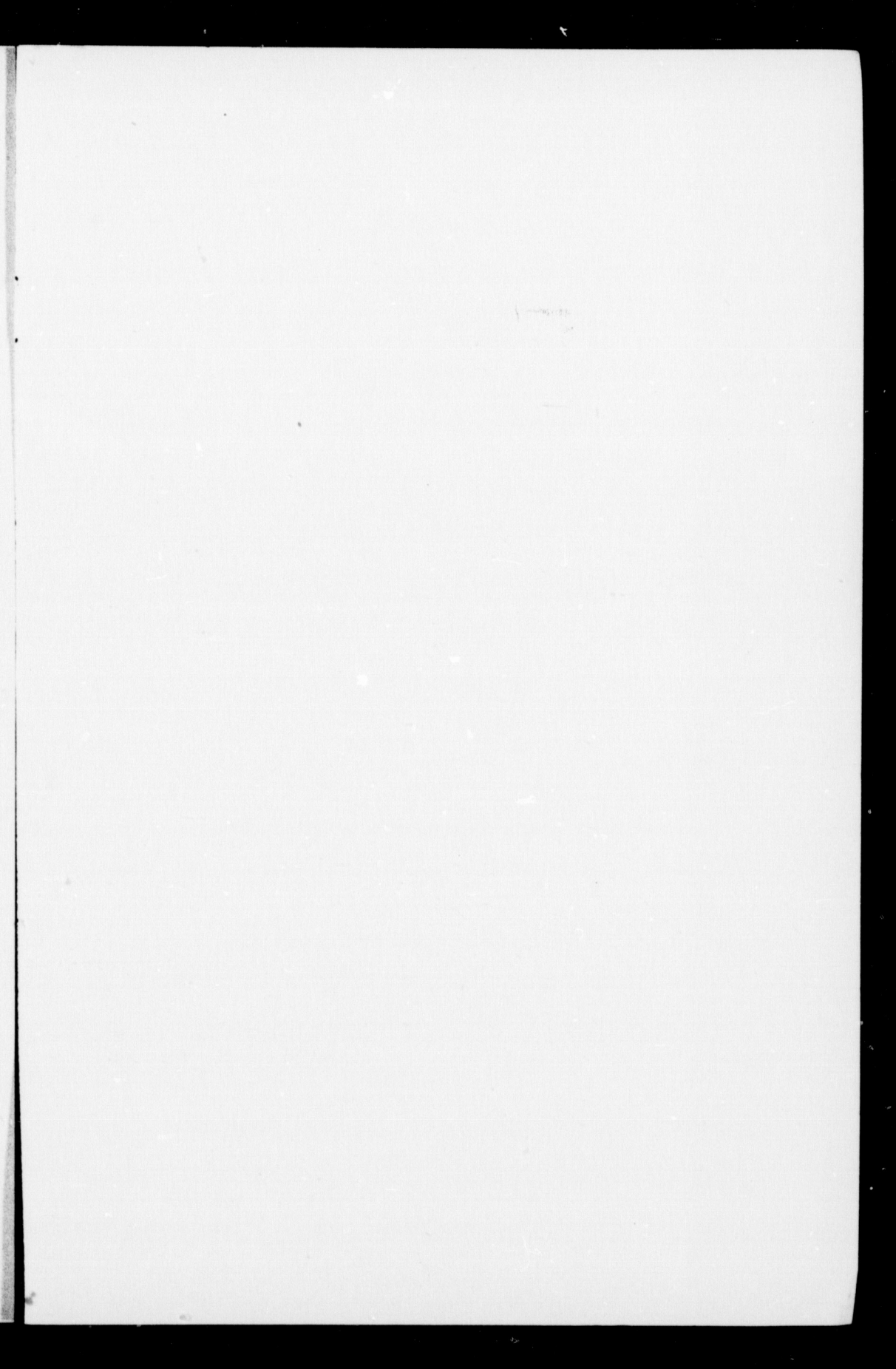
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## PLAINTIFF-APPELLANT'S REPLY BRIEF

### 1. *Comment*

Defendant-Appellee's Brief (DB 2) criticizes Plaintiff-Appellant's Brief as making no reference whatever to the lower Court's findings of fact and conclusions of law. But the lower Court did not find the facts specially and state separately its conclusions of law thereupon in accordance with Rule 52(a) FRCP. Nor did the lower Court state in its opinion that the opinion should be considered as its findings

of fact and conclusions of law. However, that omission was considered by Plaintiff-Appellant to be harmless (*Leighton v. One William St. Fund, Inc.*, C.A.N.Y. 1965, 343 F.2d 565).

That Defendant-Appellee was fully advised by Plaintiff-Appellant's Brief is apparent. Defendant-Appellee's Brief states (pp. 1-2):

"It is clear from Vanity-Fair's brief that the sole ground upon which it seeks reversal is that the patents in suit are invalid for alleged obviousness over the prior art Peck (App. E73), Rosenthal (App. E67) and Olga (App. E83) patents and the garments therein described. Non-infringement is asserted solely on the basis of invalidity \* \* \*."

## **2. The Rosenthal Patent and Garment**

Defendant-Appellee's Brief correctly states (p. 9) that "At the trial, as in its present appeal, Vanity Fair placed principal reliance upon the Rosenthal patent and garment". It thereupon quotes from the lower Court's Amended Opinion of February 21, 1974 (App. 61a):

"Vanity Fair asserts (and the Patent Examiner at first held) that the Olga patents were merely obvious rearrangements of elements contained in the Rosenthal patent. Vanity Fair contends that the Rosenthal and Olga designs are basically the same, except for the fact that in Rosenthal there is a panel running downward *inside* the girdle member, whereas in the Olga patents the downward panel runs *outside* the girdle member." (App. 61a).

The lower Court found (App. 61a-62a):

"The differences between the two garments are far more fundamental than simply a change in position of a panel."



During the prosecution in the Patent Office of the Olga 3,142,301 (PX 1) patent application (PX 2, App. E4-33), it was admitted and represented by applicant Olga (PX 2, App. E26-27):

“As the examiner has indicated in the Official Action of December 10, 1963, *one of the principal differences* between applicant's [Olga] garment and that disclosed in Rosenthal lies in the fact that *the applicant's* [Olga] *panel overlies or is on the outside of the torso encircling body [girdle].*” (Emphasis added.)

Mrs. Reardon, plaintiff's witness, had made the unchallenged (App. 126a, 281a) Olga garment (PX 15) of the Olga patent No. 3,142,301 (PX 1, App. E1) because of the failure of Defendant-Appellee to supply one. At the trial, it became evident that none had been marketed because it was unsatisfactory (App. 283a-284a). Mrs. Reardon also had made garment PX 17A embodying the disclosure of the Rosenthal patent (PX 5) having its panel on the inside. She also had made garment PX 17B (App. 134a) utilizing the identical elements and dimensions of the PX 17A Rosenthal garment, except that its panel is disposed on the outside, as in the Olga patent PX 1 (App. 134a).

On the Voir Dire, counsel for Defendant-Appellee examined Mrs. Reardon, who testified as follows (App. 134a):

“The Court: Any objection on the voir dire?”

“Mr. White: None, but would it be accurate just to say that *17B is essentially 17A turned inside out.*”

“The Witness: *Sure.*”

“The Court: Any objections?”

“Mr. White: None.” (Emphasis added.)

It is thus apparent that the mere turning inside out of the Rosenthal-like garment PX 17A having its panel *inside* converts it to a garment identically like PX 17B, wherein the panel is on the *outside* as in the Olga patent PX 1 (App.

E1). It is suggested that the Court may wish to perform such a reversal with the Rosenthal-like garment PX 17A and then compare it in the reversed inside out condition with the Olga-like garment 17B.

Again, during the prosecution of the Olga patent No. 3,142,301 (PX 1) patent application (PX 2, App. E4-36) the Examiner rejected it, stating (PX 2, p. 10, App. E16):

"The patent to Rosenthal discloses an undergarment including a torso encircling body made of elastic fabric, a front panel (7) having side edges sewn to the body portion, said side edges of the panel being free at the lower portion thereof, the free edges of the panel and crotch portion together with the bottom edge of the body defining leg openings."

Thus, the Examiner pointed out that the Rosenthal patent description and its drawings (PX 5, App. E67) disclosed the downward panel free edges and the girdle member relation which created the flexible leg openings of the Olga patents (PX 1, PX 3; App. E2, E35).

If the flexible leg openings of the Olga patents constitute such an important alleged difference between the Olga patent (PX 1, App. E1) garment and that disclosed in the Rosenthal patent, why did not applicant Olga point it out to the Examiner as was done in relation to the fact that in the Olga patent its panel overlies the torso encircling body or girdle portion, while in the Rosenthal patent its panel underlies the girdle portion. It was not until the trial that a purported difference in leg openings was represented by Defendant-Appellee.

This Court has passed unfavorably upon many patents relating to garments, one of which involved the "rearrangement" of corset panels (*Warner Bros. v. American Lady Corset*, 136 F.2d 93; 48 F. Supp. 417, 422) and another of which involved "reversal" of position of shoulder strap pads (*Kleinman v. Betty Dain Creations*, 189 F.2d 546).



In *Kleinman supra*, this Court said (p. 547):

"Plaintiff \* \* \* admitted that his claim to patentability rested on the cushioning effect of his pad which he claimed was unknown to the prior art *in which all pads were placed on top of the undergarment shoulder strap rather than partly beneath. Even were this the case, the reversal of position of strap and pad would hardly render the device patentable.* \* \* \* The brief outline above is sufficient to indicate that his asserted advance over the then existing art was obviously so far below the present exacting standard of patentability that the patent in suit was properly found invalid for want of invention, as well as not infringed. [See cases cited.]" (Emphasis added.)

### **3. This Court Is Free To Make Its Own Findings**

The Supreme Court in *Graham v. John Deere*, 383 U.S. 1, identified three areas of factual inquiry which must be explored by a Court in determining obviousness, namely (p. 17):

"\* \* \* the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved."

The Court below found here (App. 62a):

"[T]he overall result reached in the Olga garment is utterly different from the result in the Rosenthal garment. \* \* \* I cannot conclude that Rosenthal suggested or anticipated the Olga design."

Assuming that the above findings by the Court below are in compliance with with Fed. R. Civ. P. 52(a) such findings "shall not be set aside unless clearly erroneous". The "clearly erroneous" standard is far from an absolute bar to appellate reversal of Trial Court findings of fact. In

*United States v. United States Gypsum Co.*, 333 U.S. 364 (1948), the Supreme Court laid down the test that (p. 395):

"A finding is clearly erroneous when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed."

The test has been further refined by this Court in *Orvis v. Higgins*, 180 F.2d 537, 539 (2 Cir. 1950):

"\* \* \* Where, a trial judge sits without a jury, the rule varies with the character of the evidence: (a) If he decides a fact issue on written evidence alone, we are as able as he to determine credibility, and so we may disregard his finding. (b) Where the evidence is partly oral and the balance is written or deals with undisputed facts, then we may ignore the trial judge's finding and substitute our own, (1) if the written evidence or some undisputed fact renders the credibility of the oral testimony extremely doubtful, or (2) if the trial judge's finding must rest conclusively on the written evidence or the undisputed facts, so that his evaluation of credibility has no significance."

In the instant case Plaintiff-Appellant, Vanity Fair, relies principally on documentary evidence and physical garments to support its allegations of obviousness of the subject matter of the Olga claims in issue and to confirm the testimony of its expert (Mr. Lands). Most of the factual issues before this Court fall within category (a). To the extent that testimonial evidence is depended upon, the remaining factual issues fall within category (b). This Court has not hesitated in the past from performing its duty to independently consider the evidence and reach its own conclusion as to obviousness.

In the very recently decided (July 22, 1974), but as yet unreported, patent case entitled *Julie Research Laboratories v. Guildline Instruments et al.*, this Court reversing

the District Court and holding the patent claims void for obviousness said (4898-99):

"In holding that the claims are void for obviousness, we necessarily disagree with the District Court's contrary result. Insofar as that conclusion stemmed from crucial factual findings—particularly as to the Diesselhorst ring—we have exercised our authority, as in other patent-validity cases involving obviousness, to review the record for ourselves and to determine that the findings below were clearly erroneous. Cf. *Lemelson v. Topper Corp.*, 450 F.2d 845 (2d Cir. 1971), cert. denied, 405 U.S. 989 (1972); *Shaw v. E.B. & A.C. Whiting Co.*, 417 F.2d 1097 (2d Cir. 1969), cert. denied, 397 U.S. 1076 (1970); *Watseo, Inc. v. Henry Valve Co.*, 404 F.2d 1104 (2d Cir. 1968), cert. denied, 396 U.S. 821 (1969); *Taylor Wine Co. v. Celmer*, 397 F.2d 784 (2d Cir. 1968), cert. denied, 393 U.S. 1016 (1969); *Preuss v. General Electric Co.*, 392 F.2d 29 (2d Cir.), cert. denied, 393 U.S. 834 (1968). The ultimate decision of invalidity/validity for obviousness/non-obviousness is one of law (*Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966); *Shaw v. E. B. & A. C. Whiting Co.*, supra, 417 F.2d at 1102), and the District Court's final conclusion on that question is, of course, not binding, *Lemelson v. Topper*, supra, 450 F.2d at 848.

"Our confidence in our conclusion is strengthened by some additional factors. This is a crowded art, with several people working in it and considerable activity in the '50's and '60's. The currents and cross-currents of thought seem to have been generally available, and there was a great deal of common knowledge. It was the kind of milieu from which developments like the Julie patent and the Guildline instrument were not unlikely to emerge. Cf. *Indiana General Corp. v. Krystinel Corp.*, 421 F.2d 1023, 1030-31 (2d Cir.), cert. denied, 398 U.S. 928 (1970). Then, too, the patent claims, as we see them, are basically directed to a com-



bination patent and must therefore be scrutinized with special care (*General Radio v. Kepco, Inc.*, 435 F.2d 135, 137 (2d Cir. 1970), cert. denied, 404 U.S. 874 (1971)."

Since this Court is not bound by the findings of fact by the Court below, it is free to make its own findings based on its consideration of the record. The Conclusions of Law by the Court below that "Olga is entitled on its counterclaim to a declaration of the validity of the patents and an injunction against Vanity Fair prohibiting further infringement" are not binding on this Court, *Julie v. Guildline, supra*, and cases cited therein.

Likewise, the grant of a patent by the Patent Office is no bar to an independent determination of invalidity by this Court. The weight of the statutory presumption of validity (35 U.S.C. 282) is undermined by the volume of patent applications processed by the Patent Office and the *ex parte* nature of their proceedings—*Lemelson v. Topper*, 450 F.2d 845, 849 (1971); *Graham v. John Deere*, 383 U.S. 1, 18-19; *Lorenz v. F. W. Woolworth*, 305 F.2d 102, 105 (2 Cir. 1962).

Where, as in the present case the claims are directed to a combination of old elements, the Court must view the question of obviousness with particular care—*General Radio v. Kepco*, 435 F.2d 135, 137 (2 Cir. 1970). As the Supreme Court stated in *A & P v. Supermarket*, 340 U.S. 147, 152:

"Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements."

Applying this standard to the suit patent claims we find that the Rosenthal garment (DX A, PX 17A) contains all of the separate elements of the combination of the Olga patent 301 (PX 1). See Plaintiff-Appellant's main brief pages 15-19.

#### 4. The Olga Patent No. 3,142,300

The lower Court found (App. 56a):

"Basically the claims in the 300 application were the same as the claims in the 301 application except for the addition of the inside crotch piece."

It was represented to the Patent Office Examiner on behalf of the applicant Olga that what is now claim 1 of Olga Patent No. 3,142,300 (PX 3, App. E56) then Olga application claim 6 (PX 4) corresponded in all of its elements and limitations to what is now Olga Patent No. 3,142,301 (PX 1) claim 1, with the further limitation (PX 4, E56):

"\* \* \* as to the flexible crotch piece which *distinguishes* the *present invention* from the *prior disclosure*." (Emphasis added.)

The prior disclosure referred to was that of the earlier filed Olga patent (PX 1) 301 application (PX 2).

The flexible crotch piece claim limitation which purportedly distinguishes the alleged invention of Olga patent 300 (PX 3) claim 1 from the "prior disclosure" of Olga patent 301 (PX 1) claim 1, provides as follows:

"(h) a flexible crotch piece

- (1) attached to a front central bottom edge portion of the elastic body
- (2) extending across and beneath said downwardly narrowed portion of the panel,

"(i) said crotch piece also being attached to the inside of the narrowed portion of the panel below the crotch piece attachment to the body."

A "flexible crotch piece insert" for use in panty girdles was old in the art. Olga Patent No. 2,660,173 granted November 24, 1953 (PX 11, App. E84-85) illustrates and

describes such an insert (see discussion in Plaintiff-Appellant's main brief pages 31-32).

Prior art Olga Patent No. 2,660,173 (PX 11) states (col. 2, lns. 15-21, App. E84):

"First it should be understood that the invention is applicable to any of various pantie girdle constructions."

Thus, it would be obvious to apply a "flexible crotch piece insert" to the panty girdle construction of the Rosenthal patent (PX 5, App. E67) and to the Rosenthal garment (DX A) as well as to that of Olga patent 301 (PX 1, App. E1) and the Olga garment (PX 15) to obtain the claimed combination including a flexible crotch piece of claim 1 of Olga patent 300 (PX 3, App. E34).

The District Court held (App. 65a):

"Both the 301 and 300 designs were in fact part of the same inventive process. The 300 design incorporated the elements of the 301 design and made a substantial improvement. For the purposes of patent validity both designs and both patents should be treated together, as the Patent Office ultimately did in granting the two patents on the same day."

Thus, if Olga patent 301 (PX 1) is invalid for obviousness in view of the Rosenthal patent (PX 5) and the Rosenthal garment (DX A), it follows that Olga patent 300 (PX 3) is likewise invalid for obviousness. Surely the inclusion of a prior art flexible crotch piece is not such an improvement as to render the Olga 300 patent valid.

##### **5. Non-Infringement**

Since Defendant-Appellee's Olga patents should be held invalid, it is clear that it cannot maintain its action for infringement. It is thus unnecessary to consider whether



Plaintiff-Appellant's garment infringes—*Formal Fashions v. Braiman Bows*, 369 F.2d 536 (2 Cir.).

Plaintiff-Appellant in 1969 discontinued the manufacture and sale of its panty brief Style 40-28 (PX 23) charged to infringe both Olga patents (PX 1, PX 3).

**6. Conclusion**

This appeal should be sustained and the District Court's Judgment reversed.

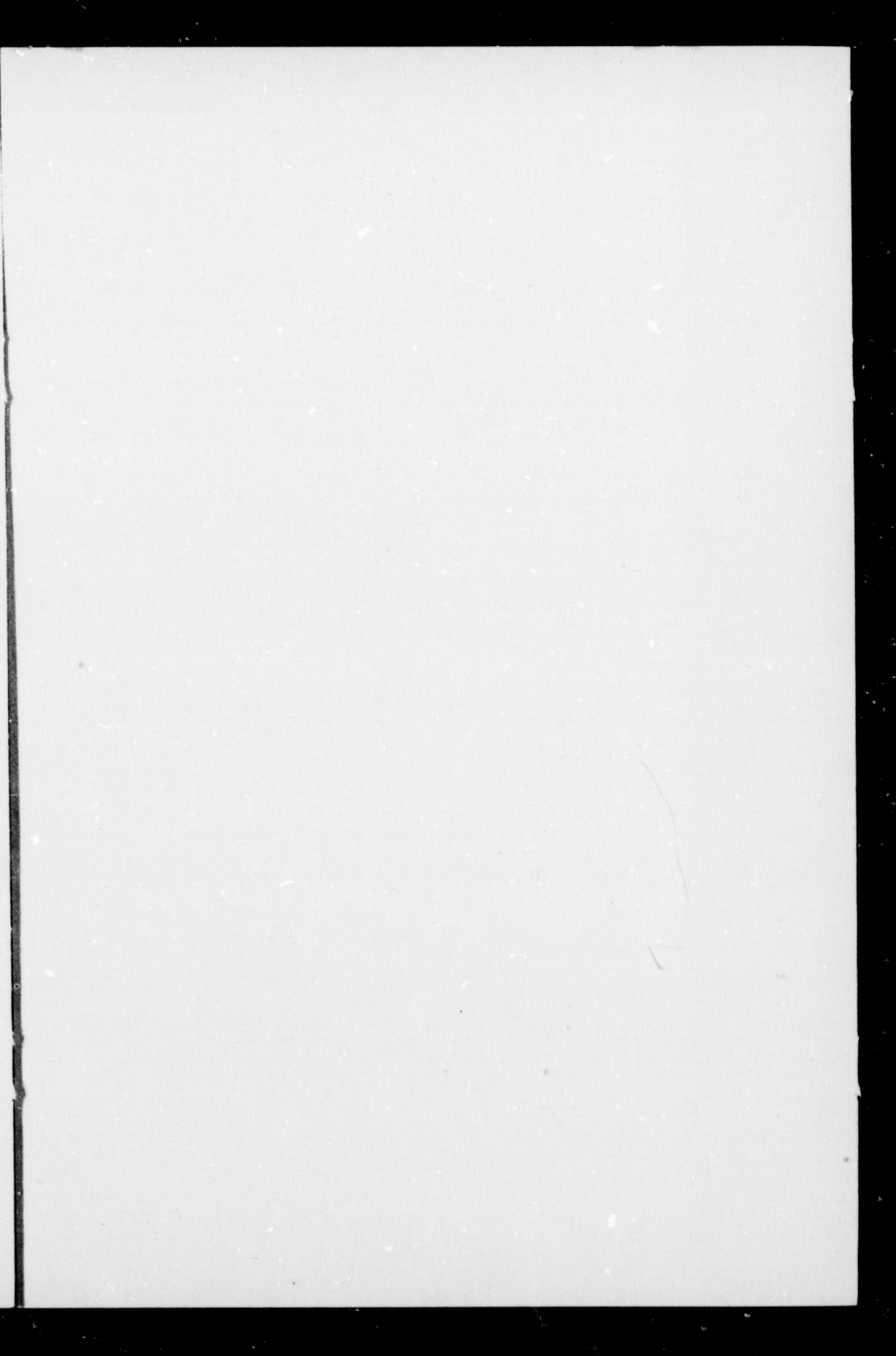
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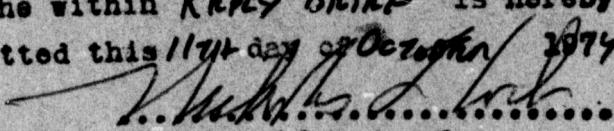
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Due and timely service of Four copies  
of the within REPLY BRIEF is hereby  
admitted this 11th day of October 1977

  
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Attorneys for ADDELLER



